



## Polson Higgs Client Newsletter XIX

Following on from last Friday's good news that the South will be staying at Level Two business has settled back into a now familiar rhythm. The limited restrictions of Level Two, whilst making life slightly more difficult, are all manageable with appropriate planning.

As part of the decision to leave the South at Level Two (and Auckland at Level Three) there has been a number of policy changes which we will be covering in this newsletter:

- Does your business have a QR code?
- Wage subsidy extension.
- Mortgage Deferral Scheme
- Changes to provisional tax and use of money interest
- COVID-19 Business Advisory Fund
- New Grads

### Does your business have a QR code?

You should be answering yes, as these are compulsory from 11:59 am on Wednesday 19 August 2020. If you don't have one then visit [here](#) to create one or for more information.

### Wage subsidy extension

From 21 August at 1:00 pm until 3 September (at midnight) businesses are able to apply for the second wage subsidy extension. For this round, the wage subsidy is now called the "**Resurgence wage subsidy**".

To be eligible you must:

1. be able to predict a 40% decrease in revenue from COVID-19 for the period between 12 August to 10 September 2020
2. be six weeks from your previous subsidy
3. retain your employees for the duration of the period of the subsidy.

The rates remain the same as last time, \$585.80 for people working 20 hours or more per week and \$350.00 for people working less than 20 hours per week.

Anyone can apply who meets the above criteria, you are not required to have received the previous wage subsidy. If you need any assistance with the "**Resurgence wage subsidy**", please do not hesitate to **contact us** .

### **Mortgage Deferral Scheme**

The government has announced an extension to the mortgage deferral scheme as part of its response to the new COVID-19 cases and alert level increases. The extension makes mortgage holidays available for a **further 6 months until 31 March 2021**.

Because of the long-term cost of a mortgage holiday and the effect it may have on your other obligations and cashflow we suggest that you talk to your Partner or Manager at Polson Higgs first. You should also enquire with your bank about other available options such as switching to smaller repayments or interest only payments.

It is important to note, that this extension is not an automatic process. Any mortgage holidays granted will be on a case-by-case basis at the discretion of the bank.

If you have any questions about the mortgage deferral scheme extension or how it affects you, our team is always eager to help. Contact us [here](#) .

### **Changes to provisional tax and use of money interest**

There have been some changes to provisional tax legislation which, in some situations, cancels the 7% use-of-money interest in the 2021 year normally charged by the IRD when income estimations turn out to be inaccurate and tax is short-paid. Eligible taxpayers must have a residual income liability of less than \$1 million and their ability to make a reasonably accurate forecast has to have been significantly and adversely affected by COVID-19. Where these criteria are met, the taxpayer should estimate and pay their provisional tax for the 2021 year based on their estimated income.

If you want to discuss the estimation method for calculating provisional tax, or want to discuss other options for 28 August, please contact your Partner or Manager at Polson Higgs.

### **COVID\_19 Business Advisory Fund**

The COVID-19 Business Advisory Fund has been provided by government to enable businesses to access expert advice and support and is being administered through the Regional Business Partner Network.

Business owners can access up to \$5,000 excl. GST per business from the COVID-19 Business Advisory Fund. It is 100% funding; no co-funding is required.

### **Eligibility Criteria - Businesses must:**

- have undergone an assessment with a Regional Business Partner Growth Advisor
- have fewer than 100 full time equivalent employees, and
- be GST registered in New Zealand, and

- have a New Zealand Business Number, and
- be operating in a commercial environment; and
- be a privately-owned business or are a Māori Trust or incorporation under the Te Ture Whenua Māori Act 1993 or similar organisation managing Māori assets under multiple ownership.

## Funded Services

Businesses can access expert advice and support in one or more of the following subject areas:

- HR & Employee Relations and Legal
- Financial and Cashflow Management
- Health and Wellness
- Business Continuity Planning
- Marketing Strategy
- Digital Enablement Strategy.

If you would like more details or assistance applying for funding please [contact us](#)

## New Grads

We have three new Grads (Liam, Katie and Wallace) who started in June this year. They have been very busy in their first few months learning about the firm and our clients. As part of that they “interviewed” all the partners. So, if you ever wondered what advice our partners would have given themselves when they started, check out the video [here](#)

**New Webpage** - we have added a new page to our website and are gathering different resources for you to use. Check out **Polson Higgs Covid-19**

If you have a question about anything please don't hesitate to ask on [covid19@ph.co.nz](mailto:covid19@ph.co.nz).

Stay safe and keep in touch.

Kind regards

**Polson Higgs Team**



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